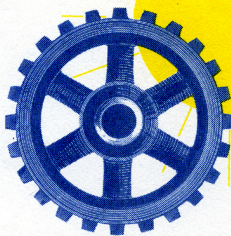


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CHAMBER OF COMMERCE

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WHERE PROGRESS AND PLEASURE ARE PARTNERS

EMPIRE 4-2477 • P. O. BOX 472 • DOUGLAS, ARIZONA

February 7, 1961

Mr. Boyd H. Gibbons, Jr.
Special Assistant to the Governor
Industrial Development
Office of the Governor
State House
Phoenix, Arizona

Dear Boyd:

You can be sure that it was a delightful pleasure to hear from you again, as always, and we will attempt to bring you up to date regarding the wood molding situation in Agua Prieta. Needless to say, we are certainly grateful for the interest you are exhibiting in these fine people.

You may or may not be aware that a devastating fire on June 19, 1960, completely demolished their block-square facility, obviously therefore bringing production to a complete standstill. They immediately, however, became active and in three months had a new plant under way. As a matter of fact, they started production on October 15, 1960,--in a new location, of course. They expect to be in full production by March 1 of this year. Mr. Antonio de Rincon is the General Manager of this plant, and is not only a wonderful individual but a sharp and talented production man.

For comparative purposes, we might mention that the production area in the old plant was about 6,400 square meters, whereas the new plant will have 12,000 square meters. Production in the old plant was approximately four railroad cars monthly, whereas the new plant will produce, when full capacity is achieved, about eight railroad cars monthly. Personnel in the old plant approximated 80 employees, whereas the new plant will engage approximately 150 employees.

With regard to the tariff situation, no problems whatsoever prevail today, and, even though 99% of this plant's production goes to U. S. markets, you are aware, I am sure, that the total entrance of wood moldings into our country from Mexico is extremely small. While we do not know the exact figures, we will hazard the opinion that it does not exceed 5%.

As an interesting sidelight, you are perhaps aware that their closest source of raw material, which is lumber, is about 150 miles south in the Sierra Madre Mountains. At the present time they are badly in need of lumber, because it is all transported by truck over dirt roads which we would consider most disreputable, and at the moment they are held up because snow

DOUGLAS CHAMBER OF COMMERCE

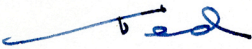
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Mr. Boyd H. Gibbons, Jr., 2., 2/7/61

and mud have made a very difficult problem. However, it is expected that soon the weather will clear and that lumber--which is, incidentally, ponderosa pine--will again be available.

Once again, Boyd, thank you very much for your continued interest in this situation, for we can assure you it is deeply appreciated. If this does not answer some of those questions you had in mind, we will be most happy to supplement it in any manner you desire.

Cordially and sincerely,



T. W. Spoeri
Manager

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